



**Substitute Senate Bill No. 668**

**Public Act No. 06-148**

**AN ACT CONCERNING PROPERTY REVALUATIONS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 12-62 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to assessment years commencing on or after October 1, 2006*):

[(a) (1) Commencing October 1, 1997, the assessor or board of assessors of each town shall revalue all of the real estate in their respective municipalities for assessment purposes in accordance with the provisions of subsection (b) of this section. The assessments derived from each such revaluation shall be used for the purpose of levying property taxes in such municipality in the assessment year in which such revaluation becomes effective and in each assessment year thereafter until the next succeeding revaluation in accordance with the provisions of subsection (b) of this section. In the performance of these duties, except in any municipality where there is a single assessor, at least two of the assessors shall act together and all valuations shall be separately approved by a majority of the assessors.

(2) The assessor or board of assessors of each town shall view by physical inspection all of the real estate in their respective municipalities for assessment purposes within the period of time

***Substitute Senate Bill No. 668***

provided in subdivision (3) of this subsection.

(3) An assessor shall have fulfilled the requirement to view by physical inspection if a physical inspection of a property has been made at any time from June 27, 1997, to October 1, 2009, inclusive, and thereafter, the assessor or board of assessors shall view by physical inspection each parcel of real estate no later than ten years following the preceding inspection.

(b) The assessor or board of assessors of each town shall revalue all of the real estate in their respective municipalities not later than five years after the last revaluation conducted in each municipality, except as provided in section 12-62l. In carrying out the provisions of this subsection, any municipality which last effected revaluation by statistical means shall effect its next revaluation by physical inspection provided in no case shall a physical inspection be required more than once every ten years. In carrying out the provisions of this subsection, any municipality which last effected revaluation by physical inspection may effect its next revaluation by statistical means.

(c) During the conduct of any revaluation in accordance with this section in any municipality and during a period of not less than twelve months immediately following the date on which such revaluation becomes effective, any criteria, guidelines, price schedules or statement of procedures used in such revaluation by the assessors or any revaluation company shall be available for public inspection in the assessor's office in such municipality in the manner provided for public records in subsection (a) of section 1-210. Any such criteria, guidelines, price schedules or statement of procedures shall continue to be available for public inspection until the next revaluation of real property becomes effective. The provisions of this subsection shall be applicable to any such criteria, guidelines, price schedules or statement of procedures placed on file in such assessor's office on or after October 1, 1996.

***Substitute Senate Bill No. 668***

(d) (1) Written notice of the implementation of a revaluation shall be filed by the chief executive officer of the municipality with the Secretary of the Office of Policy and Management. Such notice shall be filed not later than five business days following the date on which final action with respect to the establishment of a mill rate for the revalued grand list is taken. Any municipality which fails to comply with the provisions of this section shall forfeit ten per cent of the total amount of state grants-in-aid determined by statutory formula, as of the date certification of payment is required to be made to such municipality, for the fiscal year next following the October first assessment date on which the required revaluation was not implemented. Such forfeit shall be based upon the state grants-in-aid which are included in the estimate prepared by the Secretary of the Office of Policy and Management pursuant to section 4-71b. For each succeeding assessment year in which the provisions of this section are not met, such municipality shall forfeit ten per cent of such state grants-in-aid. If the secretary determines that such a forfeit is required, he shall cause the certification made to the State Comptroller for each such grant-in-aid to the municipality, to reflect the amount of reduction in such grant-in-aid.

(2) The secretary may waive such forfeit if, in his opinion, there appears to be reasonable cause for the municipality not having implemented a revaluation as required, provided the chief executive officer of the municipality submits a written request for such waiver. Such request shall include the reason for the failure of the municipality to comply with the provisions of this section. The secretary shall promptly consider such request and shall, within fifteen business days, notify the municipality of his decision to grant or deny a waiver of the forfeit. Reasonable cause shall include, (A) a postponement of a revaluation in any town or city, provided such postponement is allowed by the secretary in accordance with the provisions of section 12-117, or is ordered by the superior court for the judicial district in

***Substitute Senate Bill No. 668***

which the municipality is located, (B) a postponement of a revaluation in any town or city as the result of the existence of extraordinary circumstances or an act of God, (C) failure on the part of any person or organization performing such revaluation under contract to complete contractual duties to the satisfaction of the municipality, (D) the death or serious illness of the assessor during the conduct of a revaluation, which results in a delay of its implementation, or (E) an agreement entered into pursuant to subdivision (3) of this subsection. No more than one waiver shall be granted pursuant to subparagraph (E) of this subdivision.

(3) If a municipality is unable to implement a revaluation in the assessment year as required by this section for any reason other than for reasonable cause as described in subparagraphs (A) to (D), inclusive, of subdivision (2) of this subsection, the chief executive officer of the municipality may submit a written request to the Secretary of the Office of Policy and Management to enter into an agreement with the Office of Policy and Management with respect to the implementation of such revaluation. The municipality may request such agreement no earlier than six months prior to and no later than the October first assessment date which the required revaluation would have affected. The secretary may enter into no more than one agreement with any municipality and only if such municipality has shown good faith efforts toward implementing such revaluation. Such agreement shall establish conditions to be met by the municipality in order to qualify for a waiver of the penalty imposed under subdivision (1) of this subsection. Such conditions shall include, but not be limited to, (A) dates upon which specific aspects of the revaluation shall be completed, (B) an agreement by the municipality to implement, maintain or update a computer system for the purpose of conducting future revaluations, (C) an agreement that the municipality will not seek an authorization from the Office of Policy and Management to assess all real estate according to the list in effect immediately prior to

***Substitute Senate Bill No. 668***

the list to which such revaluation applies pursuant to subsection (b) of section 12-117, (D) a date specific by which a contract must be entered into for conducting the next statutorily required revaluation, and (E) quarterly updates to the secretary on the progress of the revaluation. The dates of such conditions may extend beyond the date of the implementation of the revaluation for which the agreement is requested. Notwithstanding a waiver issued under subdivision (2) of this subsection, the secretary may, upon a review of the totality of the circumstances, cause the municipality to forfeit a percentage of the total amount of state grants-in-aid determined by statutory formula which are included in the estimate prepared by the Secretary of the Office of Policy and Management pursuant to section 4-71b. If one condition of the agreement is not met by a municipality, the amount forfeited shall be one per cent of the total amount of such state grants-in-aid as of the date the condition was not met. If more than one condition of the agreement is not met by a municipality, the amount forfeited may be up to ten per cent of the such state grants-in-aid as determined by the secretary.

(e) Any assessor required to view by physical observation or to revalue all real estate in a municipality by the provisions of this section may designate a revaluation company certified in accordance with section 12-2b to view and evaluate or to evaluate, pursuant to a methodology approved by such assessor, all or any portion of such real estate, provided nothing in this subsection shall relieve any assessor of any other requirement relating to such revaluation imposed by any provisions of the general statutes, any public or special act or any municipal charter.

(f) The assessor or board of assessors shall send written notice by mail of each revaluation conducted pursuant to this section to each person whose property was revalued. Such notice shall include information describing the property owner's rights to appeal the

**Substitute Senate Bill No. 668**

valuation of his property, including the manner in which an appeal may be filed with the board of assessment appeals. The written notice shall be mailed no earlier than the assessment date and no later than the tenth calendar day immediately following the date on which the grand list abstract is signed and attested to by the assessor or board of assessors. The assessor or board of assessors may require the revaluation company to send such written notice on behalf of the assessor or board of assessors.

(g) Notwithstanding the provisions of subparagraph (B) of subdivision (1) of subsection (a) of this section any town which has entered into an agreement to conduct a physical revaluation for a contiguous town and which levies real property taxes on the basis of a revaluation that was implemented for the assessment year commencing October 1, 1987, shall for the assessment year commencing October 1, 1999, revalue all such real property by physical observation.

(h) (1) Nothing in this section shall be construed as prohibiting a town from electing to effect a revaluation of real estate earlier than the year of next revaluation, as designated in subsection (b) of this section.

(2) On and after October 1, 2002, a town electing to effect its next revaluation earlier than required pursuant to subsection (b) of this section shall effect its next subsequent revaluation on the assessment date that is four years after the date provided in said subsection (b) which date is applicable to the revaluation which is being effected earlier.

(i) Notwithstanding any municipal charter, home rule ordinance or special act, no municipality shall be required to revalue the real estate in such municipality for assessment purposes prior to the year of next revaluation as designated in subsection (b) of this section.

**Substitute Senate Bill No. 668**

(j) This section shall not require the revaluation of real estate (1) designated within the 1983 Settlement boundary and taken into trust by the federal government for the Mashantucket Pequot Tribal Nation before June 8, 1999, or (2) taken into trust by the federal government for the Mohegan Tribe of Indians of Connecticut.

(k) (1) As used in this subsection: "Coefficient of dispersion", "commercial property", "market sale", "median ratio", "price related differential", "property class", "ratio", "residential property" and "vacant land" have the same meanings as the definitions of those terms in the regulations adopted under section 12-62i.

(2) Notwithstanding the provisions of this section, a town shall be exempt from performing its next scheduled revaluation if, as of the date that calculations pursuant to this subsection are performed: (A) The overall level of assessment for all property classes is within plus or minus ten per cent of the seventy per cent assessment ratio required under subsection (b) of section 12-62a, as measured by the overall median ratio; (B) the level of assessment for each property class for which there are fifteen or more market sales is within plus or minus five per cent of the median overall level of assessment for each such property class; (C) the coefficient of dispersion for each property class for which there are fifteen or more market sales is equal to or less than (i) fifteen per cent for all property; (ii) fifteen per cent for residential property; (iii) twenty per cent for commercial property; and (iv) twenty per cent for vacant land; and (D) the price related differential for each property class for which there are fifteen or more market sales is within 0.98 and 1.03. The provisions of this subsection shall terminate on October 1, 2007, and shall not apply to any revaluation scheduled to be implemented on or after said date.

(3) In order to claim exemption under this subsection from the requirement to implement a revaluation pursuant to subsection (b) of this section, a town shall perform the calculations required by this

***Substitute Senate Bill No. 668***

subsection not earlier than April second and not later than April tenth of the calendar year preceding the October first assessment date on which such revaluation pursuant to subsection (b) of this section is required to be effective, except that a town scheduled to implement a revaluation on October 1, 2003, may perform such calculations not later than thirty days after May 9, 2002. Such calculations shall be based on market sales that occurred between October first of the previous calendar year and April first of the calendar year in which such calculations are performed, provided if the total number of market sales occurring in said period is less than thirty, the time period prior to said October first shall be extended in monthly increments until the number of market sales is equal to or greater than thirty, but in no event shall such time period be extended for more than twelve months prior to said October first. The assessor may adjust the sales price of any property to take into account: (A) The fact that the property sold is subject to a lease that does not represent market rent, as defined in section 12-63b; (B) the inclusion of personal property in the price paid for real property that was sold; or (C) any other factor the assessor deems appropriate provided there is objective criteria substantiating any such adjustment and the reason for such adjustment is documented by the assessor. In the event the time period is extended under the provisions of this subsection, the assessor may also adjust the sales price of any property sale occurring in said extended time period to take into account the effect of a price change in the real estate market between the date of sale and the date such calculations are performed. Information concerning such market sales and the statistical analyses of such sales shall be available for public inspection for not less than one year from the date a town certifies its exemption from the requirement to implement its next scheduled revaluation, provided the Secretary of the Office of Policy and Management does not rescind such exemption, pursuant to section 12-62k.

(4) Any town that meets the criteria set forth in this subsection shall,

***Substitute Senate Bill No. 668***

not later than five days after the calculations required by this subsection are performed, certify its exemption from the requirement to implement its next scheduled revaluation pursuant to subsection (b) of this section to the Secretary of the Office of Policy and Management. Such certification shall be signed by the chief executive officer and the assessor and filed in their respective offices and shall specify the assessment date to which such exemption applies. The certification submitted to the secretary shall be accompanied by documentation of the town's compliance with the criteria delineated in this subsection, in such form and manner as the secretary may require. Such documentation shall include, but not be limited to: (A) Information concerning all sales of real property for each property class that occurred during the time period encompassed by the town's analyses; (B) information concerning the market sales used in the analysis for each property class during such time period; (C) documentation concerning the reason used by the assessor to adjust the sales price of each property and the dollar amount of the adjustment; (D) documentation of the reason for not including a real property sale in the analysis of any property class; and (E) the results of each of the applicable calculations described in subdivision (2) of this subsection. Each town that certifies an exemption from the requirement to implement a revaluation pursuant to this subsection shall cooperate with the secretary or the committee established pursuant to section 12-62k in promptly providing any information the secretary or the committee may require. A copy of the certification of a town's exemption from the requirement to implement its next scheduled revaluation, as submitted to the secretary, shall be provided to the town clerk of the town, who shall record such certification on the land records. In the event the secretary rescinds such exemption, the secretary's notice rescinding the town's revaluation exemption certification shall be recorded on the land records.]

(a) As used in this chapter:

***Substitute Senate Bill No. 668***

(1) "Assessor" means the person responsible for establishing property assessments for purposes of a town's grand list and includes a board of assessors;

(2) "Field review" means the process by which an assessor, a member of an assessor's staff or person designated by an assessor examines each parcel of real property in its neighborhood setting, compares observable attributes to those listed on such parcel's corresponding property record, makes any necessary corrections based on such observation and verifies that such parcel's attributes are accounted for in the valuation being developed for a revaluation;

(3) "Full inspection" or "fully inspect" means to measure or verify the exterior dimensions of a building or structure and to enter and examine the interior of such building or structure in order to observe and record or verify the characteristics and conditions thereof, provided permission to enter such interior is granted by the property owner or an adult occupant;

(4) "Real property" means all the property described in section 12-64;

(5) "Revaluation" or "revalue" means to establish the present true and actual value of all real property in a town as of a specific assessment date;

(6) "Secretary" means the Secretary of the Office of Policy and Management, or said secretary's designee; and

(7) "Town" means any town, consolidated town and city or consolidated town and borough.

(b) (1) Commencing October 1, 2006, each town shall implement a revaluation not later than the first day of October that follows, by five years, the October first assessment date on which the town's previous

***Substitute Senate Bill No. 668***

revaluation became effective, provided, a town that opted to defer a revaluation, pursuant to section 12-62l, shall implement a revaluation not later than the first day of October that follows, by five years, the October first assessment date on which the town's deferred revaluation became effective. The town shall use assessments derived from each such revaluation for the purpose of levying property taxes for the assessment year in which such revaluation is effective and for each assessment year that follows until the ensuing revaluation becomes effective.

(2) When conducting a revaluation, an assessor shall use generally accepted mass appraisal methods which may include, but need not be limited to, the market sales comparison approach to value, the cost approach to value and the income approach to value. Prior to the completion of each revaluation, the assessor shall conduct a field review. Except in a town that has a single assessor, the members of the board of assessors shall approve, by majority vote, all valuations established for a revaluation.

(3) An assessor, member of an assessor's staff or person designated by an assessor may, at any time, fully inspect any parcel of improved real property in order to ascertain or verify the accuracy of data listed on the assessor's property record for such parcel. Except as provided in subdivision (4) of this subsection, the assessor shall fully inspect each such parcel once in every ten assessment years, provided, if the full inspection of any such parcel occurred in an assessment year preceding that commencing October 1, 1996, the assessor shall fully inspect such parcel not later than the first day of October of 2009, and shall thereafter fully inspect such parcel in accordance with this section. Nothing in this subsection shall require the assessor to fully inspect all of a town's improved real property parcels in the same assessment year and in no case shall an assessor be required to fully inspect any such parcel more than once during every ten assessment

**Substitute Senate Bill No. 668**

years.

(4) An assessor may, at any time during the period in which a full inspection of each improved parcel of real property is required, send a questionnaire to the owner of such parcel to (A) obtain information concerning the property's acquisition, and (B) obtain verification of the accuracy of data listed on the assessor's property record for such parcel. An assessor shall develop and institute a quality assurance program with respect to responses received to such questionnaires. If satisfied with the results of said program concerning such questionnaires, the assessor may fully inspect only those parcels of improved real property for which satisfactory verification of data listed on the assessor's property record has not been obtained and is otherwise unavailable. The full inspection requirement in subdivision (3) of this subsection shall not apply to any parcel of improved real property for which the assessor obtains satisfactory verification of data listed on the assessor's property record.

(c) The following shall be available for public inspection in the assessor's office, in the manner provided for access to public records in subsection (a) of section 1-210 of the 2006 supplement to the general statutes, not later than the date written notices of real property valuations are mailed in accordance with subsection (f) of this section: (1) Any criteria, guidelines, price schedules or statement of procedures used in such revaluation by the assessor or by any revaluation company that the assessor designates to perform mass appraisal or field review functions, all of which shall continue to be available for public inspection until the town's next revaluation becomes effective; and (2) a compilation of all real property sales in each neighborhood for the twelve months preceding the date on which each revaluation is effective, the selling prices of which are representative of the fair market values of the properties sold, which compilation shall continue to be available for public inspection for a period of not less than twelve

***Substitute Senate Bill No. 668***

months immediately following a revaluation's effective date.

(d) (1) The chief executive officer of a town shall notify the Secretary of the Office of Policy and Management that the town is effecting a revaluation by sending a written notice to the secretary not later than thirty days after the date on which such town's assessor signs a grand list that reflects assessments of real property derived from a revaluation. Any town that fails to effect a revaluation for the assessment date required by this section shall be subject to a penalty effective for the fiscal year commencing on the first day of July following such assessment date, and continuing for each successive fiscal year in which the town fails to levy taxes on the basis of such revaluation, provided the secretary shall not impose such penalty with respect to any assessment year in which the provisions of subsection (b) of section 12-117, as amended by this act, are applicable. Such penalty shall be the forfeit of the amount otherwise allocable to such town pursuant to section 7-536, and the loss of fifty per cent of the amount of the grant that is payable to such town pursuant to sections 3-55i, 3-55j and 3-55k of the 2006 supplement to the general statutes. Upon imposing said penalty, the secretary shall notify the chief executive officer of the amount of the town's forfeiture for said fiscal year and that the secretary's certification to the State Comptroller for the payments of such grant in said year shall reflect the required reduction.

(2) The secretary may waive such penalty if, in the secretary's opinion, there appears to be reasonable cause for the town not having implemented a revaluation for the required assessment date, provided the chief executive officer of the town submits a written request for such waiver. Reasonable cause shall include: (A) An extraordinary circumstance or an act of God, (B) the failure on the part of any revaluation company to complete its contractual duties in a time and manner allowing for the implementation of such revaluation, and

***Substitute Senate Bill No. 668***

provided the town imposed the sanctions for such failure provided in a contract executed with said company, (C) the assessor's death or incapacitation during the conduct of a revaluation, which results in a delay of its implementation, or (D) an order by the superior court for the judicial district in which the town is located postponing such revaluation, or the potential for such an order with respect to a proceeding brought before said court. The chief executive officer shall submit such written request to the secretary not earlier than thirty business days after the date on which the assessor signs a grand list that does not reflect real property assessments based on values established for such required revaluation, and not later than thirty days preceding the July first commencement date of the fiscal year in which said penalty is applicable. Such request shall include the reason for the failure of the town to comply with the provisions of subsection (b) of this section. The chief executive officer of such town shall promptly provide any additional information regarding such failure that the secretary may require. Not later than sixty days after receiving such request and any such additional information, the secretary shall notify the chief executive officer of the secretary's decision to grant or deny the waiver requested, provided the secretary may delay a decision regarding a waiver related to a potential court order until not later than sixty days after the date such court renders the decision. The secretary shall not grant a penalty waiver under the provisions of this subsection with respect to consecutive years unless the General Assembly approves such action.

(e) When conducting a revaluation, an assessor may designate a revaluation company certified in accordance with section 12-2b to perform property data collection, analysis of such data and any mass appraisal valuation or field review functions, pursuant to a method or methods the assessor approves, and may require such company to prepare and mail the valuation notices required by subsection (f) of this section, provided nothing in this subsection shall relieve any

***Substitute Senate Bill No. 668***

assessor of any other requirement relating to such revaluation imposed by any provisions of the general statutes, any public or special act, the provisions of any municipal charter that are not inconsistent with the requirements of this section, or any regulations adopted pursuant to subsection (g) of this section.

(f) Not earlier than the assessment date that is the effective date of a revaluation and not later than the tenth calendar day immediately following the date on which the grand list for said assessment date is signed, the assessor shall mail a written notice to the last-known address of the owner of each parcel of real property that was revalued. Such notice shall include the valuation of such parcel as of said assessment date and the valuation of such parcel in the last-preceding assessment year, and shall provide information describing the property owner's rights to appeal the valuation established for said assessment date, including the manner in which an appeal may be filed with the board of assessment appeals.

(g) The secretary shall adopt regulations, in accordance with the provisions of chapter 54, which an assessor shall use when conducting a revaluation. Such regulations shall include (1) provisions governing the management of the revaluation process, including, but not limited to, the method of compiling and maintaining property records, documenting the assessment year during which a full inspection of each parcel of improved real property occurs, and the method of determining real property sales data in support of the mass appraisal process, and (2) provisions establishing criteria for measuring the level and uniformity of assessments generated from a revaluation, provided such criteria shall be applicable to different classes of real property with respect to which a sufficient number of property sales exist. Certification of compliance with not less than one of said regulatory provisions shall be required for each revaluation and the assessor shall, not later than the date on which the grand list reflecting assessments of

***Substitute Senate Bill No. 668***

real property derived from a revaluation is signed, certify to the secretary and the chief executive officer, in writing, that the revaluation was conducted in accordance with said regulatory requirement. Any town effecting a revaluation with respect to which an assessor is unable to certify such compliance shall be subject to the penalty provided in subsection (d) of this section. In the event the assessor designates a revaluation company to perform mass appraisal valuation or field review functions with respect to a revaluation, the assessor and the employee of said company responsible for such function or functions shall jointly sign such certification. The assessor shall retain a copy of such certification and any data in support thereof in the assessor's office. The provisions of subsection (c) of this section concerning the public inspection of criteria, guidelines, price schedules or statement of procedures used in a revaluation shall be applicable to such certification and supporting data.

(h) This section shall not require the revaluation of real property (1) designated within the 1983 Settlement boundary and taken into trust by the federal government for the Mashantucket Pequot Tribal Nation before June 8, 1999, or (2) taken into trust by the federal government for the Mohegan Tribe of Indians of Connecticut.

Sec. 2. Section 12-62c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to assessment years commencing on or after October 1, 2006*):

[(a) Any municipality may, with respect to the assessment list in such municipality in a year in which a revaluation becomes effective, as required under section 12-62, for the assessment years commencing on or after October 1, 1987, by vote of its legislative body provide for a gradual increase in assessed values of real property for purposes of property tax, commencing with the year in which such revaluation becomes effective and continuing for a certain number of years as elected by such municipality, not exceeding three years immediately

***Substitute Senate Bill No. 668***

following the year of such revaluation. Such gradual increase in assessed values shall be the result of incremental increases in the rate of assessment of real property, to be added as provided in subsection (b) of this section to the assessment ratio determined under section 10-261a for the year immediately preceding revaluation in such municipality.

(b) Upon electing to increase assessed values in the manner allowed in this section, there shall be determined, with respect to said assessment ratio for the year immediately preceding such revaluation, the difference between the assessment rate at seventy per cent of present true and actual value, as required under subsection (b) of section 12-62a, and said ratio of assessed value of real property to fair market value in the year immediately preceding revaluation for such municipality. Such difference shall represent the portion of the assessment rate at seventy per cent to be added to said ratio for such municipality in attaining the required assessment rate of seventy per cent of present true and actual value. Such amount shall be added to said ratio in equal increments, as determined in accordance with this subsection, over the number of years elected by such municipality, provided the total number of years for such purpose may not exceed four years including the year of such revaluation. For the purposes of this subsection, increments shall be considered equal if such increments are equal (1) in terms of the absolute amount of the increase in the assessment ratio for each of the years of such gradual increase in assessed value or (2) in terms of the percentage of increase in the assessment ratio from year to year which is applicable to such gradual increase in assessed value, for each year of the term of such gradual increase in assessed value.

(c) In a municipality which has adopted the assessment procedure allowed in this section, new construction which is first assessed for purposes of property tax, after the assessment date on which such

***Substitute Senate Bill No. 668***

revaluation becomes effective but before the assessment rate has been increased to seventy per cent of present true and actual value, shall be assessed initially at the rate applicable in the procedure as adopted by such municipality at the time of such initial assessment, and thereafter at the rate of assessment applicable with respect to all real property on the assessment list in such municipality.]

(a) (1) A town implementing a revaluation of all real property may phase in a real property assessment increase resulting from such revaluation, by requiring the assessor to gradually increase the assessment or the rate of assessment applicable to such property in the assessment year preceding that in which the revaluation is implemented, in accordance with one of the methods set forth in subsection (b) of this section. The legislative body of the town shall approve the decision to provide for such phase-in, the method by which it is accomplished and its term, provided the number of assessment years over which such gradual increases are reflected shall not exceed five assessment years, including the assessment year for which the revaluation is effective. If the legislative body is a town meeting, the board of selectmen shall approve such decision, method and term.

(2) The legislative body or board of selectmen, as the case may be, may approve the discontinuance of a phase-in of real property assessment increases resulting from the implementation of a revaluation, at any time prior to the completion of the phase-in term originally approved, provided such approval shall be made on or before the assessment date that is the commencement of the assessment year in which such discontinuance is effective. In the assessment year following the completion or discontinuance of phase-in, assessments shall reflect the valuation of real property established for such revaluation, subject to additions for new construction and reductions for demolitions occurring subsequent to the date of

***Substitute Senate Bill No. 668***

revaluation and on or prior to the date of its completion or discontinuance, and the rate of assessment applicable in such year, as required by section 12-62a, as amended by this act.

(b) A town shall use one of the following methods to determine the phase-in of real property assessment increases resulting from the implementation of a revaluation:

(1) The assessment of each parcel of real property for the assessment year preceding that in which such revaluation is effective shall be subtracted from the assessment of each such parcel in the effective year of said revaluation, and the annual amount of incremental assessment increase for each such parcel shall be the total of such subtraction divided by the number of years of the phase-in term;

(2) The ratio of the total assessed value of all taxable real property for the assessment year preceding that in which a revaluation is effective and the total fair market value of such property as determined from records of actual sales in said year, shall be subtracted from the rate of assessment set forth in section 12-62a, as amended by this act, and the annual incremental rate of assessment increase applicable to all parcels of real property shall be the result of such subtraction divided by the number of years of the phase-in term;  
or

(3) The ratio of the total assessed value of all taxable real property in each of the following property classes for the assessment year preceding that in which a revaluation is effective and the total fair market value of such property in each class as determined from records of actual sales in said year, shall be subtracted from the rate of assessment set forth in section 12-62a, as amended by this act, and the annual incremental rate of assessment increase applicable to all parcels of real property in each such class shall be the result of such subtraction divided by the number of years of the phase-in term,

**Substitute Senate Bill No. 668**

where such property classes are: (A) Residential property; (B) commercial property, including apartments containing five or more dwelling units, industrial property and public utility property; and (C) vacant land. In the event the assessor determines that there are no records of actual sales of real property in any such property class in said year or that the number of such actual sales is insufficient for purposes of determining a rate of increase under this subdivision, the annual incremental rate of assessment increase determined under subdivision (2) of this subsection shall be used for said property class.

(c) The assessment of any new construction that first becomes subject to taxation during an assessment year encompassed within the term of a phase-in shall be determined in the same manner as the assessment of all other comparable real property in said assessment year, such that the total of incremental increases applicable to such other comparable real property are reflected in the assessment of such new construction prior to the proration of such assessment pursuant to section 12-53a.

(d) Not later than thirty business days after the date a town's legislative body or board of selectmen, as the case may be, votes to phase in real property assessment increases resulting from such revaluation, or votes to discontinue such a phase-in, the chief executive officer of the town shall notify the Secretary of the Office of Policy and Management, in writing, of the action taken. Any chief executive officer failing to submit a notification to said secretary as required by this subsection, shall forfeit one hundred dollars to the state for each such failure.

Sec. 3. Section 12-117 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to assessment years commencing on or after October 1, 2006*):

(a) The period prescribed by law for the completion of the duties of

**Substitute Senate Bill No. 668**

any assessor, board of assessors or board of assessment appeals may, for due cause shown, be extended by the chief executive officer of the town for a period not exceeding one month, and in the case of the board of assessment appeals in any town in the assessment year [immediately following completion of a revaluation of all real property in such town and adjustment of the assessment list for such assessment year accordingly] in which a revaluation, pursuant to section 12-62, as amended by this act, is required to be effective, such period [may] shall be extended by said chief executive officer for a period not exceeding two months. Not later than two weeks after granting an extension as provided under this subsection, the chief executive officer shall send written notice of the extension to the Secretary of the Office of Policy and Management.

[(b) If, in the opinion of the board of assessment appeals and the chief executive officer, the number of appeals pending before such board is such as to preclude fair and equitable consideration of such appeals within the time restriction prescribed in this section, the Secretary of the Office of Policy and Management may, upon the request in writing of the board of assessment appeals approved by the chief executive officer, setting forth such opinion, authorize the assessors to assess all real estate according to the grand list in effect immediately prior to the grand list from which such appeals are taken, subject only to transfers of ownership, additions for new construction and reductions for demolitions. The grand list from which such appeals are taken shall then become the grand list for the assessment day next ensuing, subject only to such adjustments as are authorized by the board of assessment appeals, unless the town has, in the intervening time period, completed a revaluation of all real property in accordance with section 12-62.

(c) During any assessment year in which the provisions of subsection (b) of this section become applicable, the assessor or board

**Substitute Senate Bill No. 668**

of assessors shall, within sixty days of the date on which the Secretary of the Office of Policy and Management grants authorization, complete the grand list as required by said subsection. Each owner whose property valuation on such grand list has been increased above the valuation of such property in the last-preceding grand list shall be sent an increase notice. The notice shall be prepared in the manner prescribed in section 12-55 and shall be sent not earlier than the date on which said secretary grants authorization and not later than the tenth day following the date on which the assessor completes the grand list as required by this subsection. If such increase notice is sent later than the time period prescribed in this subsection, such increase shall become effective on the next succeeding grand list. Any owner may appeal said valuation to the board of assessment appeals within thirty days of the date the notice was sent.]

(b) If, in the assessment year in which a revaluation is required to be effective, the Secretary of the Office of Policy and Management determines, on the basis of information provided, in writing, by the board of assessment appeals and the chief executive officer, that the number of appeals pending before such board is such as to preclude fair and equitable consideration of such appeals within the extended period of time provided under subsection (a) of this section, the secretary may authorize a postponement of the implementation of said revaluation until the assessment day next ensuing. If the secretary authorizes such postponement, the town shall not be subject to the penalty provisions of subsection (d) of section 12-62, as amended by this act. Upon receipt of the secretary's notice of authorization, the assessor shall revise the real property grand list for the assessment year with respect to which such postponement is applicable, to reflect assessments for such property effective in the assessment year immediately preceding. The real property grand list from which such appeals are taken shall then become the real property grand list for the assessment day next ensuing, subject only to transfers of ownership,

**Substitute Senate Bill No. 668**

additions for new construction, reductions for demolitions and such adjustments as are authorized by the board of assessment appeals, unless the assessor revalues all real property for said assessment day in accordance with section 12-62, as amended by this act. The secretary shall not grant an authorization to a town, pursuant to this subsection, in consecutive years.

(c) During any assessment year in which the provisions of subsection (b) of this section become applicable, the assessor or board of assessors shall, not later than thirty days after the date on which the Secretary of the Office of Policy and Management authorizes the postponement of revaluation, complete the grand list as required by subsection (b) of this section. An increase notice shall be prepared in the manner prescribed by section 12-55, and mailed, not later than the tenth day after the completion of said grand list, to each owner whose property valuation on said grand list increased above the valuation of such property in the last-preceding assessment year. Notwithstanding the provisions of section 12-112, any owner may appeal such increase to the board of assessment appeals not later than thirty days after the date of such notice. If the assessor or board of assessors fails to comply with the notice requirements in this subsection, any such increase shall not take effect until the next succeeding assessment date.

Sec. 4. (NEW) (*Effective from passage*) (a) If real property eligible for a grant or for reimbursement of a property tax or a portion thereof under the provisions of sections 12-19a, 12-20b, as amended by this act, and 12-129p of the general statutes, or any other provision of the general statutes, is located in a town that (1) elected to phase in assessment increases pursuant to section 12-62a of the general statutes, revision of 1958, revised to January 1, 2005, with respect to a revaluation effective on or before October 1, 2005, or (2) elects to phase in assessment increases pursuant to section 12-62c of the general statutes, as amended by this act, with respect to a revaluation effective

**Substitute Senate Bill No. 668**

on or after October 1, 2006, the assessed valuation of said property as reported to the Secretary of the Office of Policy and Management shall reflect the gradual increase in assessment applicable to comparable taxable real property for the same assessment year.

(b) If the legislative body of a town elects to phase in real property assessment increases with respect to a revaluation effective on or after October 1, 2006, pursuant to section 12-62c of the general statutes, as amended by this act, or pursuant to section 12-62a of the general statutes, revision of 1958, revised to January 1, 2005, with respect to a revaluation effective on or before October 1, 2005, the grand list furnished, pursuant to section 7-328 of the general statutes, to the clerk of any district, as defined in section 7-324 of the general statutes, shall reflect assessments based upon such phase-in for each assessment year during which such phase-in is effective.

Sec. 5. Subsection (a) of section 7-328 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The territorial limits of the district shall constitute a separate taxing district, and the assessor or assessors of the town shall separate the property within the district from the other property in the town and shall annually furnish the clerk of the district with a copy of the grand list of all property in the district after it has been completed by the board of assessment appeals of the town. If the legislative body of the town elects, pursuant to section [12-62a or] 12-62c, as amended by this act, to defer all or any part of the amount of the increase in the assessed value of real property in the year a revaluation becomes effective and in any succeeding year in which such deferment is allowed, the grand list furnished to the clerk of the district for each such year shall reflect assessments based upon such deferment. When the district meeting has fixed the tax rate, the clerk shall prepare a rate bill, apportioning to each owner of property his proportionate share of

***Substitute Senate Bill No. 668***

the taxes, which rate bill, when prepared, shall be delivered to the treasurer; and the district and the treasurer thereof shall have the same powers as towns and collectors of taxes to collect and enforce payment of such taxes, and such taxes when laid shall be a lien upon the property in the same manner as town taxes, and such liens may be continued by certificates recorded in the land record office of the town, and foreclosed in the same manner as liens for town taxes. The assessor or board of assessment appeals shall promptly forward to the clerk of the district any certificate of correction or notice of any other lawful change to the grand list of the district. The district clerk shall, within ten days of receipt of any such certificate or notice, forward a copy thereof to the treasurer, and the assessment of the property for which such certificate or notice was issued and the rate bill related thereto shall be corrected accordingly. If the district constructs any drain, sewer, sidewalk, curb or gutter, such proportion of the cost thereof as such district determines may be assessed by the board of directors, in the manner prescribed by such district, upon the property specially benefited by such drain, sewer, sidewalk, curb or gutter, and the balance of such costs shall be paid from the general funds of the district. In the construction of any flood or erosion control system, the cost to such district may be assessed and shall be payable in accordance with sections 25-87 to 25-93, inclusive. Subject to the provisions of the general statutes, the district may issue bonds and the board of directors may pledge the credit of the district for any money borrowed for the construction of any public works or the acquisition of recreational facilities authorized by sections 7-324 to 7-329, inclusive, and such board shall keep a record of all notes, bonds and certificates of indebtedness issued, disposed of or pledged by the district. All moneys received by the directors on behalf of the district shall be paid to the treasurer. No contract or obligation which involves an expenditure in the amount of (1) ten thousand dollars or more in districts where the grand list is less than or equal to twenty million dollars, or (2) twenty thousand dollars or more in districts where the

**Substitute Senate Bill No. 668**

grand list is greater than twenty million dollars, in any one year shall be made by the board of directors, unless the same is specially authorized by a vote of the district, nor shall the directors borrow money without like authority. The clerk of the district shall give written notice to the treasurer of the town in which the district is located of any final decision of the board of directors to borrow money, not later than thirty days after the date of such decision. The district may adopt ordinances, with penalties to secure their enforcement, for the purpose of regulating the carrying out of the provisions of sections 7-324 to 7-329, inclusive, and defining the duties and compensation of its officers and the manner in which their duties shall be carried out.

Sec. 6. Section 12-19b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Not later than April first in any assessment year, any town or borough to which a grant is payable under the provisions of section 12-19a shall provide the Secretary of the Office of Policy and Management with the assessed valuation of the real property eligible therefor as of the first day of October immediately preceding, adjusted in accordance with any gradual increase in or deferment of assessed values of real property implemented in accordance with section 12-62c, as amended by this act, [or subsection (e) of section 12-62a,] which is required for computation of such grant. Any town which neglects to transmit to the secretary the assessed valuation as required by this section shall forfeit two hundred fifty dollars to the state, provided the secretary may waive such forfeiture in accordance with procedures and standards adopted by regulation in accordance with chapter 54. Said secretary may on or before the first day of August of the state fiscal year in which such grant is payable, reevaluate any such property when, in the secretary's judgment, the valuation is inaccurate and shall notify such town of such reevaluation by certified or registered mail. Any town or borough aggrieved by the action of the secretary under the

**Substitute Senate Bill No. 668**

provisions of this section may, not later than ten business days following receipt of such notice, appeal to the secretary for a hearing concerning such reevaluation. Such appeal shall be in writing and shall include a statement as to the reasons for such appeal. The secretary shall, not later than ten business days following receipt of such appeal, grant or deny such hearing by notification in writing, including in the event of a denial, a statement as to the reasons for such denial. Such notification shall be sent by certified or registered mail. If any town or borough is aggrieved by the action of the secretary following such hearing or in denying any such hearing, the town or borough may not later than ten business days after receiving such notice, appeal to the superior court for the judicial district wherein such town is located. Any such appeal shall be privileged.

Sec. 7. Subsection (a) of section 12-20b of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Not later than April first in each year, any municipality to which a grant is payable under the provisions of section 12-20a shall provide the Secretary of the Office of Policy and Management with the assessed valuation of the tax-exempt real property as of the immediately preceding October first, adjusted in accordance with any gradual increase in or deferment of assessed values of real property implemented in accordance with section 12-62c, as amended by this act, [or subsection (e) of section 12-62a,] which is required for computation of such grant. Any municipality which neglects to transmit to the Secretary of the Office of Policy and Management the assessed valuation as required by this section shall forfeit two hundred fifty dollars to the state, provided the secretary may waive such forfeiture in accordance with procedures and standards adopted by regulation in accordance with chapter 54. Said secretary may, on or before the first day of August of the state fiscal year in which such

**Substitute Senate Bill No. 668**

grant is payable, reevaluate any such property when, in his judgment, the valuation is inaccurate and shall notify such municipality of such reevaluation. Any municipality aggrieved by the action of said secretary under the provisions of this section may, not later than ten business days following receipt of such notice, appeal to the secretary for a hearing concerning such reevaluation, provided such appeal shall be in writing and shall include a statement as to the reasons for such appeal. The secretary shall, not later than ten business days following receipt of such appeal, grant or deny such hearing by notification in writing, including in the event of a denial, a statement as to the reasons for such denial. If any municipality is aggrieved by the action of the secretary following such hearing or in denying any such hearing, the municipality may not later than two weeks after such notice, appeal to the superior court for the judicial district in which the municipality is located. Any such appeal shall be privileged. Said secretary shall certify to the Comptroller the amount due each municipality under the provisions of section 12-20a, or under any recomputation occurring prior to September fifteenth which may be effected as the result of the provisions of this section, and the Comptroller shall draw his order on the Treasurer on or before the fifth business day following September fifteenth and the Treasurer shall pay the amount thereof to such municipality on or before the thirtieth day of September following. If any recomputation is effected as the result of the provisions of this section on or after the January first following the date on which the municipality has provided the assessed valuation in question, any adjustments to the amount due to any municipality for the period for which such adjustments were made shall be made in the next payment the Treasurer shall make to such municipality pursuant to this section.

Sec. 8. (*Effective from passage*) (a) There is established a work group to study and provide recommendations designed to facilitate property revaluations undertaken by municipalities. Such study shall include, but not be limited to, (1) development of a master contract for use by

***Substitute Senate Bill No. 668***

municipalities when hiring revaluation vendors, (2) development of a schedule for revaluations so all municipalities in a region undertake them at the same time and recommendations for implementation procedures for such schedule, and (3) consideration of the rules for municipal assessment procedures to ensure that all (A) terms and procedures are clearly defined, (B) requirements as to when a property must be inspected are clarified, (C) allowable elements of a quality assurance program are listed, and (D) phase-in provisions are clear and workable for those municipalities that choose to phase in a revaluation.

(b) The work group shall consist of the following members:

(1) Two representatives from municipal government appointed by the speaker of the House of Representatives;

(2) Two representatives from a state-wide realtors group appointed by the president pro tempore of the Senate;

(3) One representative of a business group appointed by the majority leader of the House of Representatives;

(4) One representative of a business group appointed by the majority leader of the Senate;

(5) One representative from the Connecticut Association of Assessing Officers, appointed by the minority leader of the House of Representatives;

(6) One representative from the Connecticut Association of Assessing Officers, appointed by the minority leader of the Senate;

(7) The chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, or their designees; and

**Substitute Senate Bill No. 668**

(8) The Secretary of the Office of Policy and Management, or said secretary's designee.

(c) Any member of the work group appointed under subdivision (1), (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member of the General Assembly.

(d) All appointments to the work group shall be made no later than thirty days after the effective date of this section. Any vacancy shall be filled by the appointing authority.

(e) The Secretary of the Office of Policy and Management, or said secretary's designee shall serve as the chairperson of the work group. Said secretary shall schedule the first meeting of the work group, which shall be held no later than sixty days after the effective date of this section.

(f) The administrative staff of the Office of Policy and Management shall serve as administrative staff of the work group.

(g) Not later than January 1, 2007, the work group shall submit a report on its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, in accordance with the provisions of section 11-4a of the general statutes. The work group shall terminate on the date that it submits such report or January 1, 2007, whichever is later.

Sec. 9. Subsection (b) of section 12-129p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) In any municipality which, as of July 6, 1987, has deferred any part of the amount of increased assessed value of real property pursuant to subsection (e) of section 12-62a of the general statutes,

***Substitute Senate Bill No. 668***

revision of 1958, revised to 2005, the maximum benefit to which any homeowner shall be entitled pursuant to subsection (a) of this section shall be the amount to which such homeowner is entitled pursuant to sections 12-129b to 12-129d, inclusive, as amended, in the first assessment year in which no deferral of assessed value occurs, and no maximum benefit shall be imposed in any year prior to such first assessment year in which no deferral occurs.

Sec. 10. Subsections (e) and (f) of section 12-62a and sections 12-62h, 12-62i and 12-62k of the general statutes are repealed. (*Effective from passage*)

Approved June 6, 2006